

DIRECTORATE OF INTELLIGENCE

# Central Intelligence Bulletin

**Secret** 

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## Central Intelligence Bulletin

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USSR - Communist China: Moscow has partially lifted its moratorium on anti-Chinese propaganda with a number of mild attacks on Peking.

In the first widely circulated anti-Chinese criticism since the Kosygin-Chou meeting on 11 September, a Moscow Radio Peace and Progress broadcast on 21 September noted regretfully that the vociferous anti-Soviet movement in China was continuing to spread fabrications about the USSR. The broadcast charged that this line would please only the imperialists.

In another broadcast by Moscow Radio on 22 September, a Soviet commentator said that the USSR had tried to normalize Soviet-Chinese relations in the past, but had been unable to remain silent about Peking's anti-Leninist, anti-Marxist theses. He also expressed regret that Peking had continued to issue "silly" accusations against the USSR, charging that such polemics only played into the hands of imperialists.

TASS on 22 September presented a round-up of foreign observations on the "continuing political struggle" and "mass repression" in China. The TASS dispatch concluded that Peking has stopped struggling against imperialism and now is using all means at its disposal to attack the Soviet Union and other socialist states.

The restricted nature of the new propaganda attacks suggests that Moscow may be hinting to Peing that its patience is nearly at an end. In any case, Moscow's restraint seems clearly designed to bolster the Soviet's image as the party most interested in a settlement.

<u>USSR-Malaysia</u>: Moscow is increasing its efforts to introduce Soviet goods into Malaysian markets.

A Soviet trade fair that opened in Kuala Lumpur on 22 September features heavy industrial equipment-reportedly priced 25 to 50 percent below similar Western equipment-as well as a wide variety of consumer and other industrial goods. Moscow plans to follow up the fair with the dispatch of Soviet trade delegations and renewed offers of economic assistance.

Moscow probably hopes to balance its trade with Malaysia which has been thrown out of kilter by insignificant Malaysian imports of Soviet goods in recent years while Moscow has remained a major purchaser of Malaysian rubber and tin. Last year Soviet imports of these products totaled about \$100 million.

Italy: Long-expected one-day strikes are posing a first test for the seven week old minority Christian Democratic government of Mariano Rumor.

With the reconvening of the Chamber of Deputies yesterday, the government must now face inflammatory interrogations on the strike situation. Thus far the government has effectively contained extremist provocations and only marginal violence has occurred.

The government's major immediate concern is to help obtain a labor settlement conducive to continuing Italy's economic growth, which since World War II has been exceeded among industrial nations only by West Germany and Japan. Management, in both private and national industry, is prepared to grant wage increases of some 25 percent over the next two years. It is more reluctant to grant demands for union prerogatives such as the right to assemble on plant premises during working hours and the right to negotiate piece-work rates.

Union power in Italia	an plants would increase
if the present demands are	e granted. Union leaders
are stiffened in backing	
being outflanked on the le	eft by anarchist "worker
power" elements which have	
serious wildcat strikes.	

Nigeria: Violence has again erupted in the Western State.

At least 25 deaths have been reported during the past week as the result of clashes between Yoruba antitax agitators and security forces. The incidents have included ambushes of police and army patrols by bands of Yoruba tribesmen armed with homemade guns. A dusk-to-dawn curfew has been imposed, and more violence appears likely.

Similar clashes have occurred sporadically over the past year, but the recent outbreak has indicated more organization on the part of the antitax groups. There is widespread discontent in the Western State, stemming from opposition to taxes and other economic causes, Yoruba factionalism, war-weariness, and an almost unanimous dislike for the corrupt state governor. The situation would probably cool down rapidly if the state governor were removed, but federal leader General Gowon has so far refrained from doing this, probably because of the difficulty of finding a successor acceptable to the two main Yoruba factions.

The situation in the West is an embarrassment for the federal government and could eventually cause a drain on troops needed for the war. At this time, however, it is not affecting the war effort and does not represent a threat to the federal leadership.

Bolivia: General Ovando and President Siles may be trying to reach an agreement that would avoid a coup, but the military remains in a high state of readiness.

President Siles' request that Ovando withdraw his resignation as commander of the armed forces has been given extensive coverage in the La Paz press. Ovando has not answered this request and may be interpreting it as an indication that Siles is ready to make some compromises that would give Ovando what he wants without a coup. Ovando's primary demand is that his supporters be named to some cabinet posts that would provide him with influence, a power base in the government, and access to finances for his presidential campaign. Siles has rejected such pressures in the past and just recently named Alberto Crespo Gutierrez to the Ministry of Finance apparently without consulting Ovando. This action by the President may have had considerable influence on Ovando's resignation and the current coup plotting.

The possibility of an accord with Siles and what appears to be growing popular support for Ovando, as evidenced by the Chamber of Deputies' rejection of the charges made against him and its expression of "solidarity with the armed forces," may tempt Ovando to hold in abeyance his plans to oust President Siles. He may be under pressure to carry out the plan, however, by some other military leaders who believe that the armed forces' prestige has been seriously damaged in the election campaign and that public order is threatened by the presence of urban terrorists and a possible renewal of guerrilla activity.

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Brazil: A timetable is being worked out for the replacement of President Costa e Silva.

A meeting of the army high command was held yesterday to examine the results of consultations among the generals concerning their choice for a successor. The generals previously had obtained the views of their subordinate officers.

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If the army were able to agree on a single candidate, the next step would be to call a meeting of the armed services joint high command to endorse the army's decision. By then the military probably would expect to have an authoritative medical opinion on the prospects for the President's recovery.

The delay in reaching a decision probably springs from the armed forces' desire to select the candidate with the highest possible degree of military support, as well as from their wish to have Costa e Silva recover sufficiently to give his blessing to the solution.

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NOTES
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Turkey: Both public and private circles are increasingly concerned over recent armed incidents in Istanbul between student extremists. Over last weekend, two students—one a leftist and the other a rightist—were killed and 15 injured. One local dormitory is alleged to have a large stock of arms and explosives. The prospect of having to face another donnybrook, such as the one in Istanbul last spring in which several were killed and scores injured, has lowered police morale and effectiveness. With national elections less than a month away, another bloody clash would seriously embarrass the government and might reduce its support in important urban areas.
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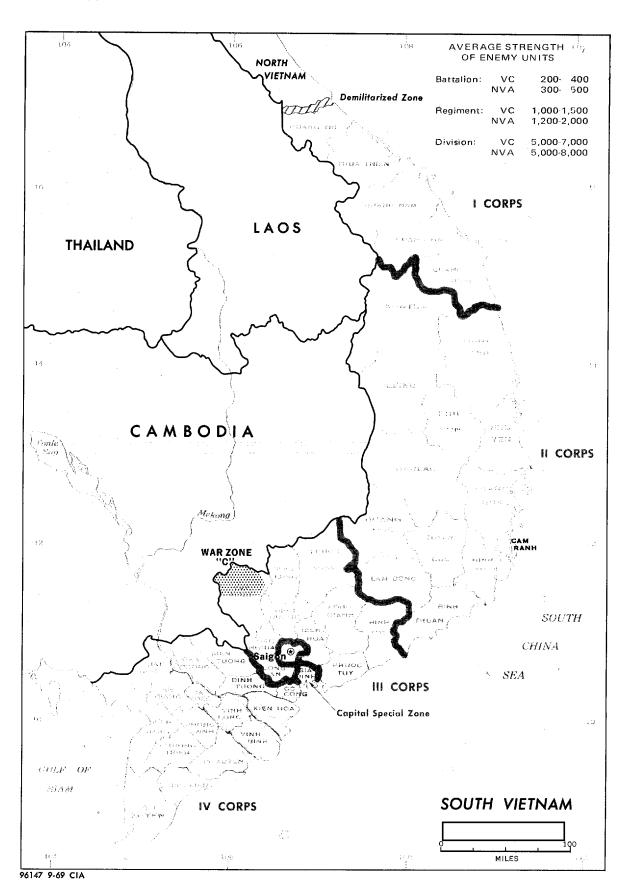
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South Vietnam: On the military front in South Vietnam, heavy fighting between allied Special Forces troops and North Vietnamese regulars in the Communistinfested War Zone C area of Tay Ninh Province on 22 - 23 September highlighted an otherwise uneventful day of ground action.

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Mexico: Student militants may have an issue for the possible revival of last year's antigovernment movement. Last night about 20 rallying students were shot by security forces, according to initial press reports. The government has been determined to meet campus unrest forcefully since the near disruption of the Olympic Games in Mexico City last year by student disorders. Student agitators are likely to try for mass support to commemorate 2 October, the anniversary of last year's major clash between students and police.

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